

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7551

BILL NUMBER: HB 1484

NOTE PREPARED: Jan 10, 2011

BILL AMENDED:

SUBJECT: Property taxes.

FIRST AUTHOR: Rep. Espich

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ___**GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Pending

Summary of Legislation: Prohibits the department of local government finance from approving a budget for a taxing unit that failed to file a financial report with the state board of accounts in the immediately preceding year. Corrects a reference to the date of the 2015 general reassessment. Establishes a procedure for a taxpayer to appeal an error in a circuit breaker or other property tax credit. Changes the methodology for: (1) calculating a civil taxing unit's maximum permissible ad valorem property tax levy for the preceding calendar year; (2) a civil taxing unit's maximum permissible ad valorem property tax levy for the ensuing calendar year; and (3) adjusting a maximum permissible property tax rate after a reassessment that does not result in an increase in the assessed value of a taxing unit. Allows a treasurer to include a statement of delinquent taxes and special assessments, interest, and penalties on a provisional statement or reconciling statement. Specifies that a tax imposed for a fire protection territory is subject to the levy limitations imposed on the participating taxing units. Specifies that partial payments shall be applied to reduce delinquent property taxes or judgment amounts before being applied to reduce interest or penalty amounts. Specifies that the full amount of property taxes imposed after being approved in a referendum shall be deposited in the fund for which the property taxes were imposed without reduction for the circuit breaker credits granted to taxpayers. Provides that if the debt service fund has a deficiency as the result of the application of circuit breaker credits, the amount of the deficit must be appropriated and paid from another fund. Requires certain surplus local option income tax revenue to be used as property tax replacement credits. Requires a proposed school referendum levy to specify whether the levy is to be used for the general purposes of the school or to replace revenue lost because of the application of circuit breaker credits. Requires the department of local government finance to approve the language to be placed on the ballot for a referendum concerning a capital project of a political subdivision or a referendum for an additional school operating levy, and limits the extent to which explanatory information may be added to the public question. Limits the extent to which a school corporation can use public resources and employees to promote a school operating levy referendum.

Allows a person to bring an action to enforce the limits on the use of public resources and employees for the promotion of a referendum on a controlled project or a school operating levy. Permits a person to appeal an error in the application of a property tax credit. Corrects a reference to the deadline for adopting a school bus replacement fund plan or a capital projects fund plan. Imposes a maximum levy limit on levies imposed for a school bus replacement fund. Specifies that a tax imposed for a fire protection territory is subject to the levy limitations imposed on the participating taxing units. Repeals certain provisions concerning civil government property tax controls.

Effective Date: Upon passage; January 1, 2010 (retroactive); January 1, 2011 (retroactive); July 1, 2011; October 1, 2011; January 1, 2012.

Explanation of State Expenditures: *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Bob Sigalow, 317-232-9859.